

DECEMBER 18, 2019

Directive 2019-27

TO: ALL PARTICIPATING LENDERS

**SUBJECT: DESKTOP UNDERWRITER FINDINGS NOW REQUIRED FOR MARYLAND
MORTGAGE PROGRAM FNMA LOAN RESERVATIONS**

Effective immediately the Maryland Mortgage Program (MMP) will require lenders to submit a Desktop Underwriter (DU) finding in the Pre-Closing Compliance file for all FNMA loan products. The Community Development Administration (CDA) requires the DU certificate that has the final borrower income as described below.

The DU finding submitted must use Qualifying Income only (per FNMA guidelines) and not Household Income (which is still used to meet MMP income limits). In reviewing the finding, MMP staff will confirm that the correct Mortgage Insurance coverages are being used and that the selected program code reflects the Area Median Income per the DU finding. This step is being taken to help lenders avoid future re-purchase situations, although the lender is still ultimately responsible.

If the income changes prior to approval, an updated DU finding must be submitted in Lender Online with the usual income documentation. After pre-closing compliance approval, CDA will not review another DU certificate; any later changes to Qualifying Income may result in loan purchase failure.

As always, we appreciate your continued participation in our programs. If you have any questions concerning this Directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing